

July 14, 2005

TO: City of Lincoln Personnel Board Members

SUBJECT: Personnel Board Meeting  
Thursday, July 21, 2005  
1:30 p.m., Council Chambers  
County-City Building

### **A G E N D A**

- ITEM 1: Request ordinance reflecting pay increase of 1.00% to be effective August 11, 2005 for pay ranges prefixed by an 'X'.
- ITEM 2: Request ordinance reflecting pay increase of 1.75% to be effective August 11, 2005 for pay ranges prefixed by an 'E'.
- ITEM 3: Request ordinance reflecting pay increase of 1.25% to be effective August 11, 2005 for pay ranges prefixed by an 'M'.
- ITEM 4: Request to amend Section 2.76.040 of the Lincoln Municipal Code — Definitions.
- ITEM 5: Request to amend Section 2.76.135 of the Lincoln Municipal Code — Compensation Plan; Merit Pay Plan Established.
- ITEM 6: Request to amend Section 2.76.145 of the Lincoln Municipal Code — Compensation Plan; Merit Pay Plan; Administration and Requirements for Advancement.
- ITEM 7: Request to amend Section 2.76.150 of the Lincoln Municipal Code — Compensation Plan; Merit Pay Plan; Pay Increases for Exceptional Service.
- ITEM 8: Request to amend Section 2.76.153 of the Lincoln Municipal Code — Compensation Plan; Merit Pay Plan; Shift Differential.
- ITEM 9: Request to amend Section 2.76.155 of the Lincoln Municipal Code — Compensation Plan; Longevity Pay.
- ITEM 10: Request to amend Section 2.76.160 of the Lincoln Municipal Code — Compensation Plan; Variable Merit Pay Plan.
- ITEM 11: Request to amend Section 2.76.200 of the Lincoln Municipal Code — Compensation Plan; Temporary Assignment in a Higher Classification.
- ITEM 12: Request to amend Section 2.76.380 of the Lincoln Municipal Code — Sick Leave with Pay.
- ITEM 13: Request to amend Section 2.76.395 of the Lincoln Municipal Code — Vacation Leave with Pay.
- ITEM 14: Miscellaneous Discussion.

PC: Joan Ross, City Clerk

**2.76.040 Definitions.**

**Non-career service positions** shall mean a temporary, seasonal, intermittent, full- or part-time position in the unclassified service. The term of employment in these positions will either be of a specific duration of time or for a specific purpose or on an as-needed basis.

Remuneration for employees in this category will be limited to pay for time actually worked with no eligibility for other employee benefits, except for police trainees and fire trainees who shall be eligible to participate in the group health and dental plans.

## **2.76.135 Compensation Plan; Merit Pay Plan Established.**

For the purpose of compensating employees on the basis of progressive improvement in job or professional performance in the city service, there is hereby established a merit pay plan of the City of Lincoln which shall consist of established pay ranges for each job classification with approximate three and one-half percent merit pay separations for pay ranges prefixed by "N" or "X"; three and one-quarter percent merit pay separations for pay ranges prefixed by "A"; and two and three-quarters percent merit pay separations for pay ranges prefixed by "C" therein.

Employment will usually begin at step "A", although candidates for employment with special qualifications may be employed at an intermediate step in a pay range upon the request of the appointing authority and with the approval of the Personnel Director. The maximum merit pay rate shall be step "J". Job classifications shall have a maximum of ten merit pay steps; however, there may be job classifications where less than ten steps may be used to reflect the appropriate minimum and maximum pay rates. ~~This section applies only to ranges prefixed by "N" or "X".~~

**2.76.145 Compensation Plan; Merit Pay Plan; Administration and Requirements for Advancement.**

(a) Advancement by an employee through the merit pay steps in the merit pay plan shall be on the basis of performance as determined by the employee's department head. In making the decision as to whether or not an employee deserves and shall receive a merit pay step increase, the department head must find that the employee being considered has performed in a commendable or outstanding manner.

A merit step increase shall be awarded only when an employee receives the score required for an increase. In any case where a merit increase has been denied, the next eligibility date for receipt of a merit step increase will be one year from the current eligibility date, at which time the employee must receive the score required for an increase. Supplemental ratings may be done throughout a rating period, but merit step increases may not be granted other than on the employee's eligibility date.

Merit increases shall be awarded on the basis of performance only, and under no circumstances shall any department head award or deny any employee a merit step increase on the basis of personal or political favoritism or discrimination.

(b) A probationary employee shall become eligible for a one-step merit pay increase in accordance with the standards specified in subparagraph (a) above after completion of the probationary period of employment. Except as otherwise provided in subparagraph (c) below and Section 2.76.150, a one-step merit pay increase, subsequent to the first such increase after completion of the probationary period of employment, may be granted no more often than one year of service from the date the last merit step increase became effective. Merit step increases shall take effect at the beginning of the pay period in which the pay eligibility date occurs for pay ranges prefixed by "P" or "F". Merit step increases shall take effect at the beginning of the first full pay period following the established eligibility date for pay ranges prefixed by "N", ~~or~~ "X", "A" or "C". Salary increases or decreases resulting from the amendment of the compensation plan in accordance with Sections 2.76.125 and 2.76.130 shall have no effect on the within-range merit step increases authorized by this section unless otherwise specified in Section 2.76.130.

(c) Upon a showing by an employee of exceptional and unusual circumstances in connection with his classification and with the recommendation of the appointing authority, the Mayor may grant permanent one- or two-step merit increases which are consistent with the spirit and purpose of the merit system provisions of the city charter. The effective date of the merit step increase(s), granted in accordance with this subparagraph (c), shall be used to establish a new eligibility date, which shall be one year from the effective date of the merit step increase(s). This subsection applies ~~only~~ to ranges prefixed by "N", "X", "F", ~~or~~ "P", "A" or "C".

## **2.76.150 Compensation Plan; Merit Pay Plan; Pay Increases for Exceptional Service.**

Additional pay increases to recognize exceptional service may also be granted by awarding a one- or two-step increase which may be authorized for periods of six, twelve, eighteen, or twenty-four pay periods and will automatically terminate on the expiration of the authorized time unless renewed by the same procedure as is required for original approval. For an employee being paid at the maximum rate of his pay range, a temporary exceptional service increase may be granted. Such pay increase shall not exceed three and one-half percent of the employee's current annualized salary, or \$300.00, whichever is greater, to be paid in two, four, or six pay periods. Increases for exceptional service shall be paid only on recommendation of the department head supported by a convincing showing in writing of exceptional service as related to specific criteria to be recommended by each department applicable to its own work and approved by the Director of Personnel. This section applies ~~only~~ to ranges prefixed by "N", "X", "F", ~~or~~ "P", "A" or "C".

The Director of Personnel shall annually send a written report to the Mayor listing employees approved for exceptional service pay increases.

## **2.76.153 Compensation Plan; Merit Pay Plan; Shift Differential.**

Probationary and regular employees in pay ranges prefixed by "N" or "X" who are regularly assigned to second and third shifts shall be paid an additional twenty cents per hour for second shift and thirty cents per hour for third shift. The differential pay per hour shall be included as an addition to their current hourly rate. To be entitled to second shift differential pay, an employee must work a majority of his regularly scheduled shift hours between 5:00 p.m. and 11:59 p.m. To be entitled to third shift differential pay, an employee must work a majority of his regularly scheduled shift hours between 11:59 p.m. and 9:00 a.m. Current hourly rate shall mean the hourly rate of pay which is applicable to the employee's regularly assigned job classification; provided, however, that if an employee is entitled to out-of-class pay, the employee's current hourly rate shall be the applicable out-of-class hourly rate of pay.

Probationary and regular employees in pay ranges prefixed by "C" who are regularly assigned to second and third shifts shall be paid an additional ~~thirty~~ forty cents per hour for second shift and ~~thirty-five~~ forty-five cents per hour for third shift. The differential pay per hour shall be included as an addition to their current hourly rate. To be entitled to second shift differential pay, an employee must work a majority of his regularly scheduled shift hours between 5:00 p.m. and 11:59 p.m. To be entitled to third shift differential pay, an employee must work a majority of his regularly scheduled shift hours between 11:59 p.m. and 9:00 a.m.

Employees who are entitled to shift differential pay shall also receive the shift differential pay in addition to their current hourly rate for paid leaves of absence such as vacation, sick leave, holiday pay, and funeral leave. For the purpose of computing overtime pay, an employee's "regular hourly rate", as defined by the Fair Labor Standards Act, shall include the additional twenty, thirty, forty or ~~thirty-five~~ forty-five cents per hour shift differential.

**2.76.155 Compensation Plan; Longevity Pay.**

(a) Employees with a pay range prefixed by the letter "E" shall annually receive longevity pay based upon the total length of service with the city. Such pay shall be effective beginning with the first full pay period following completion of the specified years of service. Payment shall be made on a prorated basis on each regular payday. The longevity schedule shall be as follows:

<u>Completed Years of Service</u>	<u>Annual Pay</u>
5 years	\$ 266.00
10 years	\$ <del>464.00</del> <u>495.00</u>
15 years	\$ <del>734.00</del> <u>812.00</u>
20 years	\$ <del>927.00</del> <u>1,054.00</u>
25 years	\$ <del>1,191.00</del> <u>1,338.00</u>

Employees with a pay range prefixed by the letter "E", hired August 29, 1991 or after, shall annually receive longevity pay based upon total continuous length of service with the city. For the purpose of longevity pay, any employee who terminates employment and who is later reemployed shall be treated as a new employee.

(b) Employees with a pay range prefixed by the letter "X" or "N" shall annually receive longevity pay based upon the total length of service with the city. Such pay shall be effective beginning with the first full pay period following completion of the specified years of service. Payment shall be made on a prorated basis on each regular pay day. Employees with a pay range prefixed by "X" or "N" who are scheduled to work less than forty but at least twenty hours per week shall receive longevity pay based on the number of hours worked each pay period. The longevity schedule shall be as follows:

<u>Completed Years of Service</u>	<u>Annual Pay</u>
5 years	\$215.00
10 years	\$405.00
15 years	\$612.00
20 years	\$816.00
25 years	\$1,002.00

Employees with a pay range prefixed by the letter "X" or "N", hired August 29, 1991 or after, shall annually receive longevity pay based upon total continuous length of service with the city. For the purpose of longevity pay, any employee who terminates employment and who is later reemployed shall be treated as a new employee.

## **2.76.160 Compensation Plan; Variable Merit Pay Plan.**

Notwithstanding any other section of the Lincoln Municipal Code to the contrary, the compensation plan for employees in classifications with pay ranges prefixed by the letters "A", "C", and "E" shall provide for the awarding of merit increases within established pay ranges based upon the employee's level of performance and shall be entitled "the variable merit pay plan." The specific method of implementing and administering this plan shall be set out in an executive order of the Mayor which shall, among other things, provide for:

- (a) Variable merit increases of between zero and six percent. Merit increases shall be effective beginning the first full pay period following the established eligibility date;
- (b) A four and one-half percent increase upon successful completion of the original probationary period;
- (c) Temporary exceptional service awards not to exceed four percent of the employee's current annualized salary to be paid in two, four, or six pay periods;

Such increases shall be paid only on recommendation of the department head supported by a convincing showing in writing of exceptional service or unusual circumstances as related to specific criteria to be recommended by each department and approved by the Personnel Director;

The Personnel Director shall annually send a written report to the Mayor listing employees approved for exceptional service pay increases.

- (d) The Personnel Director, with the approval of the Mayor, may grant permanent salary increases within the employee's pay range that are consistent with the spirit and purpose of the merit system provisions of the City Charter if a department head presents written evidence of unusual circumstances. The effective date of any increase granted in accordance with this subparagraph (d) shall be used to establish a new eligibility date, which shall be one year from the effective date of such increase. ~~This subsection applies only to pay ranges prefixed by "E".~~

- (e) The eligibility date for evaluating performance of employees will be determined by completion of the original probationary period, and the effective date of promotion, demotion, reallocation, or layoff;

- (f) Establishment of a committee to review and approve all merit increases in excess of five percent.

## **2.76.200 Compensation Plan; Temporary Assignment in a Higher Classification.**

(a) Any regular employee in a pay range prefixed by "C" ~~or "E"~~ who is temporarily assigned to work in a budgeted position in a class with a higher maximum salary than the maximum salary of such employee's regularly assigned class and who actually works ~~three or less consecutive work days~~ at least eight hours in the higher classification shall be compensated ~~at the minimum rate established for the higher class or at the employee's current rate of pay, whichever is greater, for each consecutive eight hours or more of work performed during any regularly assigned work shift served in the higher class. If an employee works more than the three consecutive work days, that employee shall be compensated for all the time worked in the higher classification. Such employee will be compensated at the minimum rate established for the higher class, or at the rate of five percent next higher step in the higher class above the employee's current rate of pay, which results in at least a 2.75% increase, whichever is greater.~~

(b) Any regular employee, in a pay range prefixed by "N" or "X" who is temporarily assigned to work in a permanent position in a class with a higher maximum salary than the maximum salary of such employee's regularly assigned class and who actually works a minimum of eight or more consecutive hours in the higher classification shall receive at least a step increase in pay for the original eight consecutive hours worked plus any additional consecutive hours worked in the higher classification. The employee who is temporarily assigned to serve, and actually does serve in a higher level position, must be fully qualified to perform the full range of duties of the higher level position, even though he may not actually perform the full range of duties during the time he is temporarily assigned to the higher classification. In the event an employee is temporarily assigned to a higher classification and requests and receives approval for paid leave, such paid leave shall be compensated at the employee's rate of pay prior to being temporarily assigned to the higher classification.

(c) Project Leader. When an employee is required to perform duties outside of his ~~or her~~ normal job duties due to special or unusual circumstances, a department head or his ~~or her~~ designated representative may appoint such employee to serve as a project leader. The appointment shall last no longer than the length of the project, or for one year, whichever is less. If an employee with a pay range prefixed by "A", "C", "E" or "M" is appointed as a project leader, they shall receive an increase in compensation of up to ten percent while in the status of project leader. If an employee with a pay range prefixed by "A" or "C" is appointed as a project leader, he shall receive an increase in compensation of two steps above his current rate of pay while in the status of project leader. The appointment must be approved by the Director in whatever form he or she may require.

(d) Crew Leader. A department head or his ~~or her~~ designated representative may appoint

any employee to serve as crew leader. The appointment shall be for the purpose of performing duties outside of his ~~or her~~ normal job duties as they relate to a special project assignment or performing duties outside of his ~~or her~~ normal job duties for the purpose of performing work that needs to be done to accomplish the daily work of the department or division. The appointment may last up to one year and may be extended, with review by the Director, due to special circumstances. If an employee with a pay range prefixed by an "X" or "N" is appointed as a new crew leader, they shall receive an increase in compensation of one step above their current rate of pay, or three and one-half percent if at step J. The appointment must be approved by the Director in whatever form he or she may require.

## **2.76.380 Sick Leave with Pay.**

Subsections (a) through (f) shall apply to employees not represented by a bargaining unit.

(a) Amount. Sick leave shall be earned by each employee at the factored hourly equivalent of eight hours for each full month of service or twelve hours for each full month of service for an employee with a pay range prefixed by "M" who works a fifty-six hour work week. Earnings shall be computed only for those hours when an eligible employee is in a pay status, excluding overtime.

(b) When taken. Sick leave will be paid only when an employee is unable to perform work duties due to actual personal illness, noncompensable bodily injury, pregnancy, or disease, exposure to contagious disease under circumstances in which the health of other employees or the public would be endangered by attendance on duty, or to keep a medical or dental appointment and for no other reason. A sick leave pay account will be established and funds appropriated for that reason only. Sick leave with pay is intended to be paid on account of sickness rather than a continuation of salary.

Sick leave must be earned before it can be granted, and advancing sick leave is prohibited. An employee may utilize no more than his accrued balance of sick leave. When an employee finds it necessary to be absent for any of the reasons specified herein, the employee shall cause the facts to be reported to his department head in accordance with departmental rules and regulations.

Sick leave shall be earned, but not be granted, during the probationary period occurring after original appointment. An employee must keep his department head informed of his condition. This shall be on a daily basis unless waived by the department head or designated representative. An employee may be required by the Personnel Director to submit a medical certificate for any absence. Failure to fulfill these requirements may result in denial of sick leave. No refund of vacation time shall be allowed due to illness incurred while on vacation leave. Sick leave shall not accrue during any period of leave of absence without pay.

(c) Accumulated sick leave. The accumulation of unused sick leave is unlimited.

(d) Unused sick leave. Upon retirement, death or reduction in force, an employee with a pay range prefixed by "E" or "M", or the employee's beneficiary, shall be paid one-half of his accumulated sick leave. The rate of payment shall be based upon the employee's regular hourly rate of pay at the time the employee retires, is laid off, or at the time of the employee's death.

Upon retirement, death or reduction in force, an employee with a pay range prefixed by "N" or "X", or the employee's beneficiary, shall be paid one-fourth of his accumulated sick leave. The rate of payment shall be based upon the employee's regular hourly rate of pay at the time the

employee retires, is laid off, or at the time of the employee's death.

Upon retirement, death or reduction in force, an employee with a pay range prefixed by "A" or "C", or the employee's beneficiary, shall be paid one-half of his accumulated sick leave ~~up to a maximum of 650 hours~~. The rate of payment shall be based upon the employee's regular hourly rate of pay at the time the employee retires, is laid off, or at the time of the employee's death.

(e) An employee with a pay range prefixed by "E", "M", "A", or "C" may be granted time off for a maximum of ~~forty-sixty~~ hours in each calendar year for illness in the employee's immediate family. ~~An employee with a pay range prefixed by "M" who works a fifty-six hour work week may be granted time off for a maximum of sixty hours in each calendar year for illness in the employee's immediate family.~~ Immediate family will also include any other family member, whether it be by blood, marriage, legal adoption, or foster children, residing in the household. Family sick leave may also be granted to an employee who has been appointed by a court of competent jurisdiction as legal guardian of any person, with proper documentation. Such time off will be deducted from the employee's accumulated sick leave. Upon written request from an employee in the above-referenced pay ranges, the Personnel Director may waive the forty or sixty hour limit after reviewing the individual circumstances in support of the request.

(f) An employee with a pay range prefixed by "N" or "X" may be granted time off for a maximum of forty hours in each calendar year for illness in the employee's immediate family. For purposes of this subsection (f), the term immediate family shall include the employee's mother, father, sister, brother, husband, wife, child, foster child, mother-in-law, father-in-law, daughter-in-law, son-in-law, stepmother, stepfather, stepchild, stepgrandchild, grandparent, grandchild, and the grandparent of the employee's spouse, or any other relative residing in the household. Family sick leave may also be granted to an employee who has been appointed by a court of competent jurisdiction as legal guardian of any person, with proper documentation. Such time off will be deducted from the employee's accumulated sick leave. Upon written request from an employee in the above-referenced pay ranges, the Personnel Director may waive the forty hour limit after reviewing the individual circumstances in support of the request.

## **2.76.395      Vacation Leave with Pay.**

(a) Amount. Each employee with a pay range prefixed by "E" shall earn vacation leave credit annually as follows:

After original appointment -- at the factored hourly equivalent of 88 hours per year.

After five years of service -- at the factored hourly equivalent of ~~112~~ 120 hours per year.

~~After seven years and six months of service -- at the factored hourly equivalent of 120 hours per year.~~

After ten years of service -- at the factored hourly equivalent of ~~128~~ 136 hours per year.

~~After twelve years and six months of service -- at the factored hourly equivalent of 136 hours per year.~~

After fifteen years of service -- at the factored hourly equivalent of 160 hours per year.

After twenty years of service -- at the factored hourly equivalent of ~~184~~ 192 hours per year.

After twenty-five years of service -- at the factored hourly equivalent of ~~192~~ 200 hours per year.

Each employee with a pay range prefixed by "N" or "X" shall earn vacation leave credit annually as follows:

After original appointment -- at the factored hourly equivalent of 80 hours per year.

After five years of service -- at the factored hourly equivalent of 112 hours per year.

After ten years of service -- at the factored hourly equivalent of 128 hours per year.

After fifteen years of service -- at the factored hourly equivalent of 160 hours per year.

After twenty years of service -- at the factored hourly equivalent of ~~176~~ 184 hours per year.

After twenty-five years of service -- at the factored hourly equivalent of ~~184~~ 192 hours per year.

The department head may require that vacation leave be taken not less than one day at a time. Vacation leave credit shall not accrue during a leave of absence without pay.